

defense authorization bill that has passed through the Armed Services Committee is very important to the people of this country and our security in these very uncertain times.

I hope the majority leader will agree to change his priorities and bring the bill to the floor. I will continue to work to resolve concerns he or the administration has expressed concerning the legislation itself. But because the executive branch has concerns about legislation and objections to legislation, that should not prevent it from coming to the floor of the Senate. That should not be a reason why the Senate should not exercise its responsibilities to debate, to amend, and to authorize all these much needed priorities for the men and women who are serving our country with courage and efficiency. It is our job to provide them with whatever they need to do their job in the most efficient fashion.

I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. SESSIONS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

CURRENCY EXCHANGE RATE OVERSIGHT REFORM ACT

Mr. SESSIONS. Mr. President, I wish to speak on the Currency Exchange Rate Oversight Reform Act, S. 1619, on which I believe we will be voting. I support it, as I expect my colleague from Arizona does with his principal commitment to trade and vibrant competitive commerce in the world.

I acknowledge that our commitment to commerce and trade is fundamental to our Nation. America has always been a country with open ports and open markets. When trade is conducted properly, I am convinced it creates a rising tide of prosperity in America and around the world. I am not against trade. More than that, I think the voluntary exchange of goods does promote the free exchange of ideas. Trade helped us to export our values of a free democratic society, but, like democracy itself, trade must operate under a set of rules and values.

Jobs have been lost as a result of unfair trade practices. Perhaps the most dramatic unfair trade practice existing in the world today is China's very substantial manipulation of its currency—a 30-percent, 40-percent, 25-percent alteration in the value of its currency—and it has created an extraordinary deficit that has cost jobs in this country. Whether it is 2 million or fewer, it has cost jobs of decent, hard-working Americans. It has occurred because of manipulation of the currency. It is a very real matter.

We need to fight for and aggressively defend every single job this country

has, and we need to say no to unfair trade practices. We are going to insist that the trade rules apply both ways, that we don't unilaterally accept virtually anything while some of our trading partners—particularly China—can systematically violate them. I think fairness is the right thing, and we must refuse to acquiesce and accept this existing trade practice.

Look, nations whose economies have historically struggled are those that have failed to uphold the rule of law. In my view, that is a fundamental part of America's greatness—our commitment to law—and it has made us economically powerful, as well as free.

Many nations that have been unable to ensure contracts are honored and protect the integrity of financial agreements can't be successful in a commercially competitive world. When companies form a business partnership, they sign a contract to ensure that each party meets its obligations. The principle is the same with free trade. A trading partnership with China or other countries must be founded on principles upon which both parties can agree, principles and agreements which are to the mutual benefit of both parties. It is the job of our leaders to negotiate these agreements on behalf of the American workers, not to stand against them.

This is even more crucial with a nation such as China, which relentlessly, through its political apparatus, seeks to advance its own national interests. China's currency manipulation clearly puts American workers and U.S.-based businesses at a huge disadvantage, particularly in this time of economic hardship. This unfairness has to be confronted. We have talked about it but have not confronted it.

Almost all economists agree that China intentionally undervalues its currency—RMB—by as much as 30 percent.

The Employment Policy Institute argues this:

This intervention makes the RMB artificially cheap relative to the dollar, effectively subsidizing Chinese exports.

Where? Mostly to the United States. So I believe the devaluation of the currency clearly subsidizes exports of Chinese goods to the United States.

They go on to say this:

Currency intervention also artificially raises the cost of U.S. exports to China. . . .

So our goods that go there are higher in China than they would be, making the Chinese less able to buy them than otherwise would be the case. The goods they ship to the United States come in cheaper than they otherwise would be, making them more attractive to American consumers. This is a big factor in the surging and huge trade deficit between our countries. I think it is indisputable that is so. In other words, the Chinese give their products a 30-percent discount in the United States and make our exports cost 30 percent more in China. I think few economists would argue with that.

China's currency manipulation has been a major factor in the erosion of our Nation's manufacturing base and left millions of U.S. workers without jobs. It is a factor in job loss in America. In Alabama, the EPI estimates—and I don't know whether this is an accurate number. I am sure we have lost jobs as a result of this currency manipulation, but this is the estimate the EPI had: It has put more than 44,000 people out of work in Alabama since 2001—44,000. We just celebrated a number of economic developments in my State. We have been having some success over the years. We have 3 automobile plants, with investment from abroad, and each one has added about 4,000 jobs. According to this study, we have lost 44,000 jobs to China as a result of this currency. Again, there are disputes about how much and how large the impact is. I don't think there is any doubt it is substantial. We have been feeling it for years.

Another recent study reached a similar conclusion. It was written up in the Wall Street Journal. It found that regions exposed to trade within the United States from China lose more manufacturing jobs and see an overall decline in unemployment than other areas. They also found that exposure to Chinese imports led to larger increases—and this is common sense—in unemployment; it cost jobs in certain areas in the United States; it led to larger increases in unemployment insurance, government payments, food stamps, disability payments, and other government benefits.

Based on data in the study, the \$300 billion increase in Chinese imports since 1992 has cost the Federal Government more than \$20 billion in such expenditures. They calculated \$20 billion simply based on the increases in food stamps, unemployment insurance, and the like. The irony behind this is that we borrow much of the money we use to pay these Federal benefits from the Chinese, which they then use to continue manipulating their currency. So we are being outmaneuvered and outnegotiated in the process.

Last year, Dan DiMicco, chairman, president, and CEO of Nucor Corporation, which has five steel mills in Alabama, my State—smaller steel mills—testified about modern steel mills. Mr. DiMicco is a national leader in American competitiveness and ideas. He testified before the House Ways and Means Committee, and this is what he said:

Passing this legislation will help because this is a jobs bill, pure and simple. It will do more to stimulate the economy and create jobs than just about anything else Congress can do. And it will not add to our national debt—just the opposite. Ending China's currency manipulation will reinvigorate our manufacturing sector and our economy, reducing our budget deficit. By failing to take the lead and combat China's mercantilist trade practices, we are serving up our jobs, future economic well-being, and national security on a platter.

That is a serious charge. This is a man who is dealing in the real world of

steel production around the United States, with plants all over the United States. I think he knows a lot about what goes on in the world and how this system works.

I believe the bill on which I have joined my colleagues is a thoughtful, commonsense approach. It doesn't place an immediate tariff on all Chinese goods that enter the United States. It does, however, explicitly direct the Commerce Department and International Trade Commission to take currency manipulation into account when estimating countervailing and dumping duties. Under current law, the Commerce Department can take currency manipulation into account when calculating countervailing duties, but it does not take currency manipulation into account. It could, but it does not. The Obama administration has not instructed them to do so, and neither did his predecessor. Moreover, neither agency currently has the authority to include currency manipulation in its calculation of anti-dumping duties.

The practical effect of this legislation would be to charge a duty on some imported products only after the International Trade Commission and Commerce Department conduct an investigation that determines dumping is taking place or a subsidy is being provided and that a U.S. company has been injured. So a duty would only be applied if it can be proved that the exporting country violated WTO rules. In other words, this measure upholds the rule of law.

This has nothing to do with protectionism; rather, it is about protecting the principles that make free trade work. You can't have a free-trade relationship if your trading partners aren't complying with the fundamental expectations of fair trading partners.

We don't live in a perfect world. Other nations, such as China, are more than willing to exploit our good will to gain political, strategic, and economic advantage. The time has come to defend our core economic interests. American workers are the best in the world. They are not asking us for a handout or a subsidy. What they are asking for are leaders who will defend their legitimate interests on the world stage. So far, this has not been done.

I salute Senators SCHUMER, BROWN, GRAHAM, BURR, SNOWE, STABENOW, and others who have supported the legislation. I think it is time for us to act, and I ask my colleagues to support the legislation as we move forward.

I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Illinois.

DEBIT CARD FEES

Mr. DURBIN. Mr. President, I wish to take those who are following this debate on a little trip through the world of plastic. I am talking about the world of credit cards—in this case, specifically about debit cards—because some-

thing happened over the weekend which has changed that world dramatically, and it is important for consumers, retailers, and voters across America to understand what happened.

On October 1—on Saturday—the rules on how much a credit card company and a bank that issues a debit card can collect every time we use the debit card changed. They call it the swipe fee. It makes sense: We hand them the credit card or we do it ourselves, swipe it through the machine, and we pay for a transaction. Back in the old days, which I can recall, some people would write out a check. This is the new form of a check. It is a debit card. When we swipe it through the machine and the machine accepts it, the money comes right out of our checking account to the retailer where we did the business. It is very convenient. People are using it more and more. In fact, over half the transactions at most retailers now are done with either credit or debit cards. What the consumer doesn't know is there is a charge each time that card is swiped. It is called the swipe fee or the interchange fee. What is it? It is established by the two, basically, duopoly credit card companies—Visa and MasterCard. They run the whole show. They have been under antitrust investigation in the past, and I am sure they will be in the future. They set the rules, and here are what the rules are.

If someone runs a restaurant or, let's say, a grocery store in Near North Side Chicago, such as Art Potash's, who is a close friend of mine—a family-owned grocery store—they say: I have to take plastic to do business, then Visa and MasterCard say they have to pay each time a customer swipes that card. How much do they pay? It is a secret. Basically, consumers don't know, but individual retailers do, and the individual retailers have little or no bargaining power with Visa, MasterCard, and the big banks, as one can imagine.

So we passed a law over 1 year ago—an amendment that I offered to the Dodd-Frank Wall Street Reform Act—which said to the Federal Reserve Board: Investigate this. Find out how much it actually costs the bank and credit card companies to process a transaction with a debit card. They came back, after a long study, and they said: If it uses a PIN number, which some do, it is about 4 cents. If we sign it, it is about 7 to 12 cents. Then they said: Incidentally, the average charge by the credit card company and bank for each swipe fee is 44 cents—dramatically larger than the cost of the transaction to the bank or the credit card company.

Remember, in the old days, when we processed checks? It cost pennies to process a check no matter what the face amount was. But now, retailers face the 44-cent average swipe fee every time somebody uses a debit card. So we can understand some retailers don't like this much. There is no competition. These banks and credit card companies tell them this is it, take it or

leave it; if they don't like it, don't use plastic. It is secret. Nobody knows it except the retailer, the bank, and the credit card company. It is a hidden fee, and it is a killer for a lot of small businesses.

I was in Rock Island, IL, and Carl, who is the manager of the Rock Island Country Market, said: We have a special deal here, Senator. People can come in from the neighborhood in Rock Island, IL, in the morning, and I give them a cup of coffee and a doughnut for 99 cents. It is a pretty good deal in this day and age. It sure is, isn't it, compared to what we pay. He said: I want to get them in the store. But, he said, you know what. They turn around and use plastic at the cash register. I wasn't even breaking even at 99 cents, and now I am paying 44 cents to some bank and credit card company because people have used plastic.

That world changed October 1—last Saturday. The new law went into effect where the Federal Reserve established the ceiling—the maximum—that can be charged for a debit card swipe fee that is issued by the largest banks in America. The maximum now comes down to about 24 cents. Is this a big deal? It certainly is, because each year in the economy, swipe fees accounted for about \$10 billion or \$12 billion—\$10 billion or \$12 billion—in additional charges to consumers and loss of profitability by businesses. One can imagine, \$10 billion or \$12 billion, even after it has been discounted by the Federal Reserve to about half that amount—\$5 billion or \$6 billion—has the banks in an uproar.

I guess it is a great honor that the Wall Street Journal on Friday had one of their people they invited in to comment who said this new bank fee that is being charged by Bank of America on debit cards is the Durbin fee—the Durbin fee. The same thing was said by the Chicago Tribune on Saturday.

Let me say at the outset I am honored to be associated with an effort to reduce costs to retailers and consumers across America. What we are doing is fair—trying to strike some balance in an industry that has shown little or no balance. One of the worst offenders in this is Bank of America—the largest bank in the United States.

Did you see what they did last week? They announced that anybody who had a debit card at Bank of America was now going to be subject to a \$5 monthly fee because of this reform. What I have said in the media, and I will say here, is: Bank of America customers, vote with your feet. Get the heck out of that bank. Find yourself a bank or credit union that will not gouge you \$5 a month and still will give you a debit card you can use every single day.

What Bank of America has done is an outrage. Last week, when they announced they were charging their own customers a \$5 monthly fee for the use of the debit card, they went overboard. They are overcharging their customers even for this new debit card reform,